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CERTIFICATE OF AMENDMENT
OF*Handwritten signature*
SECRETARY OF STATE

CERTIFICATE OF INCORPORATION

CRUCIBLE MATERIALS CORPORATION, a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the "Corporation"), DOES HEREBY CERTIFY:

FIRST: That the Board of Directors of the Corporation by unanimous written consent adopted resolutions proposing and declaring advisable the following amendment to the Certificate of Incorporation of such corporation:

RESOLVED, that the Certificate of Incorporation of the Corporation be amended by changing the Fourth Article thereof so that, as amended, such Article shall be and read as follows:

"4. The total number of shares of stock which the corporation shall have authority to issue is 16,238,000, of which 15,000,000 shall be shares of Common Stock, par value \$10 per share, 200,000 shall be shares of 13.0% cumulative convertible preferred stock, Series A, par value \$100 per share, 100,000 shall be shares of 16.5% cumulative convertible preferred stock, Series B, par value \$100 per share, 63,000 shall be 16.5% cumulative convertible preferred stock, Series C, par value \$100 per share, 700,000 shall be shares of 16.5% cumulative preferred stock, Series D, par value \$100 per share and 175,000 shall be shares of 13.0% cumulative preferred stock, Series E, par value \$100 per share.

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The relative rights, privileges and restrictions of the shares of each class are as follows:

13.0% CUMULATIVE CONVERTIBLE A PREFERRED STOCK

(1) Designation. 200,000 shares of the Preferred Stock, having a par value of \$100.00 per share, of the Corporation are hereby constituted as a series of Preferred Stock, having a par value of \$100.00 per share, designated as "13% Cumulative Convertible A Preferred Stock" (hereinafter called "A Preferred Stock").

(2) Dividends. The holders of shares of A Preferred Stock shall be entitled to receive dividends, when and as declared by the Board of Directors, payable in shares of the Corporation's E Preferred Stock (as hereinafter defined) at the annual rate of 0.13 shares of E Preferred Stock per share, and no more, payable quarterly on the first day of January, April, July and October in each year, commencing January 1, 1986, to holders of record on such respective dates, not exceeding 30 days preceding the payment date thereof, as may be determined by the Board of Directors in advance of the payment of each particular dividend. Dividends shall be payable on A Preferred Stock and E Preferred Stock (as hereinafter defined) in preference to any dividends payable on B Preferred Stock (as hereinafter defined), C Preferred Stock (as hereinafter defined) and D Preferred Stock (as hereinafter defined) with respect to any period ending on or before December 31, 1990 (after which date dividends shall accrue and be payable on B Preferred Stock, C Preferred Stock and D Preferred Stock on a parity with dividends on A Preferred Stock and E Preferred Stock), and in preference to any dividends payable on any stock junior to A Preferred Stock in priority as to dividends. No dividends shall be declared on any other series or class or classes of stock ranking on a parity with the A Preferred Stock as to dividends in respect of any quarter-yearly dividend period unless there shall likewise be or have been declared on all shares of A Preferred Stock at the time outstanding like dividends for all quarter-yearly periods coinciding with or ending before such quarter-yearly period, ratably in proportion to the respective annual dividend rates

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per annum fixed therefor. Dividends shall be cumulative and will accrue on each share of A Preferred Stock whether or not earned or declared, and whether or not there are from time to time funds legally available therefor, from the date of issue thereof except that dividends on shares of A Preferred Stock issued after the first date of issue of any shares of A Preferred Stock shall accrue from such first date of issue, or from the most recent dividend payment due in the case of shares issued after the initial dividend payment date. No interest, or sum of money in lieu of interest, shall be payable in respect of any dividend payment or payments which may be in arrears. Dividends payable on the A Preferred Stock for any period less than a full quarter shall be computed on the basis of a 360-day year.

If in any quarter-yearly dividend period, dividends at an annual rate of 0.13 shares of E Preferred Stock per share shall not have been declared and paid or set apart for payment on all outstanding shares of A Preferred Stock for such quarter-yearly dividend period and all preceding quarter-yearly dividend periods from and after the first day from which dividends are cumulative, then, until the aggregate deficiency shall be declared and fully paid or set apart for payment, the Corporation shall not (i) declare or pay or set apart for payment any dividends or make any other distribution on the Common Stock or any other capital stock of the Corporation ranking junior to the A Preferred Stock with respect to the payment of dividends or distribution of assets on liquidation, dissolution or winding up of the Corporation (the Common Stock and such other stock being herein referred to as "Junior Stock") or (ii) make any payment on account of the purchase, redemption or other retirement of any Junior Stock, except for purchases of Junior Stock held by or for The Employee Stock Ownership Plan of Crucible Materials Corporation, The Crucible Fund for Eligible Salaried Employees of all Divisions of Crucible Materials Corporation or any other employee stock ownership plan (as defined in Section 4975 of the Internal Revenue Code of 1954, as amended) for employees of the Corporation or a subsidiary of the Corporation subject to a collective bargaining agreement ("Future Union ESOP"),

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or any participant therein or beneficiary thereof to the extent of any Junior Stock distributed by any of the aforementioned plans or fund, and except for purchases of Junior Stock held by Technology Metals, Inc. contemplated by the Pledge Agreement dated as of December 17, 1985, between Colt Industries Inc and Technology Metals, Inc. For purposes of the foregoing paragraph, the B Preferred Stock, C Preferred Stock and D Preferred Stock shall be considered to be Junior Stock with reference to the A Preferred Stock and E Preferred Stock until January 1, 1991 and thereafter shall rank on a parity with the A Preferred Stock and E Preferred Stock for all dividend purposes.

(3) Liquidation Preference. In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, before any payment or distribution of the assets of the Corporation (whether capital or surplus) shall be made to or set apart for the holders of any series or class or classes of stock of the Corporation ranking junior to the A Preferred Stock upon liquidation, dissolution or winding up, the holders of the shares of the A Preferred Stock shall be entitled to receive, in cash, \$100 per share plus an amount equal to all dividends accrued and unpaid thereon to the date of final distribution to such holders, whether or not earned or declared; but such holders shall not be entitled to any further payment. If, upon any liquidation, dissolution or winding up of the Corporation, the assets of the Corporation, or proceeds thereof, distributable among the holders of the shares of the A Preferred Stock shall be insufficient to pay in full the preferential amount aforesaid and liquidating payment on any other Preferred Stock ranking as to liquidation, dissolution or winding up, on a parity with the A Preferred Stock, then such assets, or the proceeds thereof, shall be distributed among the holders of A Preferred Stock and any such other Preferred Stock ratably in accordance with the respective amounts which would be payable upon liquidation, dissolution or winding up on such shares of A Preferred Stock and any such other Preferred Stock if all amounts payable thereon were paid in full. For the purposes of this

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Section (3), a consolidation or merger of the Corporation with one or more corporations shall not be deemed to be a liquidation, dissolution or winding up, voluntary or involuntary.

Subject to the rights of the holders of any series or class or classes of stock ranking on a parity with or prior to the A Preferred Stock upon liquidation, dissolution or winding up, upon any liquidation, dissolution or winding up of the Corporation, after payment shall have been made in full to the A Preferred Stock as provided in this Section (3), but not prior thereto, any other series or class or classes of stock ranking junior to the A Preferred Stock upon liquidation shall, subject to the respective terms and provisions (if any) applying thereto, be entitled to receive any and all assets remaining to be paid or distributed, and the A Preferred Stock shall not be entitled to share.

For the purposes of this Section (3), the A Preferred Stock ranks on a parity with the B Preferred Stock, the C Preferred Stock, the D Preferred Stock and the E Preferred Stock upon liquidation.

(4) Redemption.

(a) The A Preferred Stock may not be redeemed prior to January 1, 1991. Commencing January 15, 1991, the Corporation, at its option, may redeem shares of the A Preferred Stock, as a whole or in part, at any time or from time to time at a redemption price of \$100 per share payable in cash, plus accrued and unpaid dividends thereon to the date fixed for redemption payable in cash (the sum of \$100 together with such accrued and unpaid dividends being referred to herein as the "Redemption Price").

(b) In the event the Corporation shall redeem shares of A Preferred Stock, notice of such redemption shall be given by first class mail, postage prepaid, mailed not less than 30 nor more than 60 days prior to the redemption date, to each holder of record of the shares to be redeemed, at such holder's address as the same appears on the stock register of the Corporation. Each such

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notice shall state: (1) the redemption date; (2) the number of shares of A Preferred Stock to be redeemed and, if less than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder; (3) the Redemption Price; (4) the place or places where certificates for such shares are to be surrendered for payment of the Redemption Price; and (5) that dividends on the shares to be redeemed will cease to accrue on such redemption date. Notice having been mailed as aforesaid, from and after the redemption date (unless default shall be made by the Corporation in providing money for the indefeasible payment of the Redemption Price) dividends on the shares of the A Preferred Stock so called for redemption shall cease to accrue, and said shares shall no longer be deemed to be outstanding, and all rights of the holders thereof as stockholders of the Corporation (except the right to receive from the Corporation the Redemption Price) shall cease. The Corporation's obligation to provide moneys in accordance with the preceding sentence shall be deemed fulfilled if, on or before the redemption date, the Corporation shall deposit with a bank or trust company having an office in the City of Pittsburgh, Pennsylvania, or the Borough of Manhattan, City of New York, having a capital and surplus of at least \$50,000,000, funds necessary for such redemption, in trust, with irrevocable instructions that such funds be applied to the redemption of the shares of A Preferred Stock so called for redemption. Any interest accrued on such funds shall be paid to the Corporation from time to time. Any funds so deposited and unclaimed at the end of six years from such redemption date shall be released or repaid to the Corporation, after which the holder or holders of such shares of A Preferred Stock so called for redemption shall look only to the Corporation for payment of the Redemption Price.

Upon surrender in accordance with said notice of the certificates for any shares so redeemed (properly endorsed or assigned for transfer, if the Board of Directors of the Corporation shall so require and the notice shall so state), such shares shall be redeemed by the Corporation at the Redemption Price. If less than all the

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outstanding shares of A Preferred Stock are to be redeemed, shares to be redeemed shall be selected by the Corporation pro rata (as nearly as may be) from each holder of outstanding shares of A Preferred Stock in the proportion that the shares thereof to be redeemed bear to the total number of shares of the A Preferred Stock then outstanding. If less than all of the outstanding shares represented by any surrendered certificate are to be redeemed, a new certificate representing the unredeemed shares shall be issued without charge.

In no event shall the Corporation redeem less than all the outstanding shares of A Preferred Stock pursuant to subsection (a) of this Section (4) unless full cumulative dividends shall have been paid or declared and set apart for payment upon all outstanding shares of A Preferred Stock for all past dividend periods.

(5) Shares to be Retired. All shares of A Preferred Stock redeemed or purchased by the Corporation or converted shall be retired and cancelled and shall be restored to the status of authorized but unissued shares of Preferred Stock, without designation as to series, and may thereafter be issued, but not as shares of A Preferred Stock.

(6) Voting. Except as expressly provided hereinafter in this Section (6) or as otherwise from time to time required by law, the A Preferred Stock shall have no voting rights. Whenever, at any time or times, dividends payable on the A Preferred Stock shall be in arrears in an amount equal to at least six full quarterly dividends on the A Preferred Stock at the time outstanding, the holders of the outstanding A Preferred Stock shall have the right, voting together as a class with holders of shares of all other series of Preferred Stock upon which like voting rights have been conferred and are exercisable, to elect a single director of the Corporation at the Corporation's next annual meeting of stockholders and at each subsequent annual meeting of stockholders. At elections for such directors, each holder of Preferred Stock shall be entitled to one vote for each share held (the holders of shares of any other series of Preferred Stock being entitled to

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such number of votes, if any, for each share of stock held as may be granted to them). Upon the vesting of such right of the holders of the A Preferred Stock, the maximum authorized number of members of the Board of Directors shall automatically be increased by one and the vacancy so created shall be filled by the vote of the holders of the outstanding A Preferred Stock, together with the holders of shares of all other series of Preferred Stock, as hereinabove set forth.

Upon any termination of the right of the holders of the Preferred Stock to vote for directors as herein provided, the term of office of the director then in office elected by the holders of the Preferred Stock voting as a class shall terminate immediately. The right of the holders of this series of Preferred Stock to vote for directors shall terminate immediately upon all dividend arrearages being cured with respect to this series of Preferred Stock. If the office of any director elected by the holders of the Preferred Stock voting as a class becomes vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, the holders of the series of Preferred Stock which had the right to elect such director may choose a successor who shall hold office for the unexpired term in respect of which such vacancy occurred. Whenever the term of office of the director elected by the holders of the Preferred Stock shall end and the special voting powers vested in the holders of the Preferred Stock as provided in this Section (6) shall have expired, the number of directors shall be such number as may be provided for in the By-Laws irrespective of any increase made pursuant to the provisions of this Section (6).

So long as any shares of A Preferred Stock remain outstanding, the consent of the holders of at least two-thirds of the shares of A Preferred Stock outstanding at the time (voting separately as a class with all other series of Preferred Stock ranking on a parity with A Preferred Stock either as to dividends or the distribution of assets upon liquidation, dissolution or winding up and upon which like voting rights have been conferred and are exercisable) given in person or

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by proxy, either in writing or at any special or annual meeting called for the purpose, shall be necessary to permit, effect or validate any one or more of the following:

(a) The authorization, creation or issuance, or any increase in the authorized or issued amount, of any class or series of stock (including any class or series of preferred stock) ranking prior to or on a parity with as those terms are hereinafter defined in this Section (6) the A Preferred Stock, except for any class or series of stock to be issued to any Future Union ESOP; or

(b) The amendment, alteration or repeal, whether by merger, consolidation or otherwise, of any of the provisions of the Certificate of Incorporation or of these resolutions, or any merger or consolidation, which would adversely affect any right, preference, privilege or voting power of the A Preferred Stock or of the holders thereof; provided, however, that any increase in the amount of authorized Preferred Stock or the creation and issuance of other series of Preferred Stock, in each case ranking on a parity with or junior to the A Preferred Stock with respect to the payment of dividends and the distribution of assets upon liquidation, dissolution or winding up, shall not be deemed to materially and adversely affect such rights, preferences, privileges or voting powers; or

(c) The sale, transfer or lease of all or substantially all of the properties and assets of the Corporation outside its ordinary course of business; provided, however, that nothing herein shall require the consent of the holders of the A Preferred Stock for or in respect of the creation of any mortgage, pledge or other lien upon all or any part of the assets of the Corporation.

The foregoing voting provisions shall not apply if, at or prior to the time when the act with respect to which such vote would otherwise be required shall be effected, all outstanding shares of the A Preferred Stock shall have been redeemed or sufficient funds shall have been deposited in trust to effect such redemption.

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Any class or classes of stock of the Corporation shall be deemed to rank:

(i) prior to the A Preferred Stock as to dividends or as to distribution of assets upon liquidation, dissolution or winding up if the holders of such class shall be entitled to the receipt of dividends or of amounts distributable upon liquidation, dissolution or winding up, as the case may be, in preference or priority to the holders of the A Preferred Stock; and

(ii) on a parity with the A Preferred Stock as to dividends or as to distribution of assets upon liquidation, dissolution or winding up, whether or not the dividend rates, dividend payment dates, or redemption or liquidation prices per share thereof be different from those of the A Preferred Stock, to the extent that the holders of such class and the A Preferred Stock shall be entitled to the receipt of dividends or of amounts distributable upon liquidation, dissolution or winding up, as the case may be, in proportion to their respective dividend rates or liquidation prices, without preference or priority one over the other.

(7) Conversion. The holders of shares of A Preferred Stock shall have the right, at their option, to convert any or all of such shares into fully paid and nonassessable shares of Common Stock of the Corporation at any time on and subject to the following terms and conditions:

(a) The shares of A Preferred Stock shall be convertible at the office of the Transfer Agent, and at such other office or offices, if any, as the Board of Directors may designate, into shares (calculated as to each conversion to the nearest 1/100 of a share) of Common Stock of the Corporation, at the conversion price, determined as hereinafter provided, in effect at the time of conversion, each share of A Preferred Stock being taken at \$100 for the purpose of such conversion. The price at which shares of Common Stock shall be delivered upon conversion (herein called the "conversion price") shall be initially \$25.71 per

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share of Common Stock. The conversion price shall be adjusted in certain instances as provided in paragraphs (c), (i), (j), (k) and (l) below and shall be increased in certain instances as provided in paragraph (k) below.

(b) In order to convert shares of A Preferred Stock into Common Stock, the holder thereof shall surrender at any office hereinabove mentioned the certificate or certificates therefor, duly endorsed or assigned to the Corporation or in blank, and give written notice to the Corporation at said office that such holder elects to convert such shares. Holders of shares of the A Preferred Stock surrendered for conversion during the period from the close of business on any record date for the payment of a dividend on the shares of this Series to the opening of business on the date for payment of such dividend shall be entitled to receive the dividend payable on such dividend payment date on the shares of this Series being surrendered for conversion. No payment or adjustment shall be made upon any conversion on account of any dividends accrued on the shares of A Preferred Stock surrendered for conversion or on account of any dividends on the Common Stock issued upon conversion.

Shares of this Series shall be deemed to have been converted immediately prior to the close of business on the day of the surrender of such shares for conversion in accordance with the foregoing provisions, and the person or persons entitled to receive the Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such Common Stock at such time. As promptly as practicable on or after the conversion date, the Corporation shall issue and shall deliver at said office a certificate or certificates for the number of full shares of Common Stock issuable upon such conversion, together with payment in lieu of any fraction of a share, as hereinafter provided, to the person or persons entitled to receive the same. In case shares of A Preferred Stock are called for redemption, the right to convert such shares shall cease and terminate at the close of business on the date fixed for redemption, unless

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default shall be made in payment of the redemption price.

(c) In case the conversion price in effect immediately prior to the close of business on any day shall exceed by 25 cents or more the amount determined at the close of business on such day by dividing:

(i) a sum equal to (A) 7,000,000 multiplied by \$25.71 (being the initial conversion price), plus (B) the aggregate of the amounts of all consideration received by the Corporation upon the issuance of Additional Shares of Common Stock, as hereinafter defined (including, without duplication in the event of the actual receipt thereof, amounts deemed to have been received by the Corporation pursuant to the last sentence of paragraph (e) below), minus (C) the aggregate of the amounts of all dividends and other distributions which have been paid or made after December 31, 1985 on Common Stock of the Corporation, other than in cash out of its earned surplus or in Common Stock of the Corporation, by

(ii) the sum of (A) 7,000,000 and (B) the number of Additional Shares of Common Stock,

the conversion price shall be reduced, effective immediately prior to the opening of business on the next succeeding day, by an amount equal to the amount by which such conversion price shall exceed the amount so determined. The foregoing amount of 25 cents (or such amount as theretofore adjusted) shall be subject to adjustment as provided in paragraphs (i), (j), (k), (l) and (n) below, and such amount (or such amount as theretofore adjusted) is referred to in such paragraphs as the "Differential Amount".

(d) The term "Additional Shares of Common Stock" as used herein shall mean all shares of Common Stock issued by the Corporation after December 31, 1985 (including (A) without duplication in the event of the actual issuance thereof, shares deemed to have been issued and to be "Additional Shares of Common Stock" pursuant to

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paragraph (j) below and (B) shares deemed to be "Additional Shares of Common Stock" pursuant to paragraph (k) below), whether or not subsequently reacquired or retired by the Corporation, other than:

(i) shares issued upon conversion of shares of the A Preferred Stock, the B Preferred Stock, the C Preferred Stock and any other stock issued to a Future Union ESOP;

(ii) shares issued upon exercise of options granted or to be granted to employees or directors for incentive purposes pursuant to any stock option plan approved by the holders of Common Stock of the Corporation; and

(iii) shares issued by way of dividend or other distribution on shares of Common Stock excluded from the definition of Additional Shares of Common Stock by the foregoing clause (i) or (ii) or this clause (iii) or on shares of Common Stock resulting from any subdivision or combination of shares of Common Stock so excluded.

(e) In case of the issuance of Additional Shares of Common Stock for a consideration part or all of which shall be cash, the amount of the cash consideration therefor shall be deemed to be the amount of cash received by the Corporation for such shares (or, if such Additional Shares of Common Stock are offered by the Corporation for subscription, the subscription price, or if such Additional Shares of Common Stock are sold to underwriters or dealers for public offering without a subscription offering, the initial public offering price), without deducting therefrom any compensation or discount in the sale, underwriting or purchase thereof by underwriters or dealers or others performing similar services or for any expenses incurred in connection therewith. The subscription price for Additional Shares of Common Stock deemed to have been issued under paragraph (j) below shall be deemed to have been received by the Company at the time such

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Additional Shares of Common Stock are deemed to have been issued.

(f) In case of the issuance (otherwise than as a dividend or other distribution on any stock of the Corporation or upon conversion or exchange of other securities of the Corporation) of Additional Shares of Common Stock for a consideration part or all of which shall be other than cash, the amount of the consideration therefor other than cash shall be deemed to be the value of such consideration as reasonably determined by the Board of Directors in good faith, irrespective of the accounting treatment thereof. The reclassification of securities other than Common Stock into securities including Common Stock shall be deemed to involve the issuance for a consideration other than cash of such Common Stock immediately prior to the close of business on the date fixed for the determination of security-holders entitled to receive such Common Stock.

(g) A dividend or other distribution on any class of capital stock of the Corporation in cash or in property (including any dividend or other distribution in securities other than Common Stock) shall be deemed to have been paid or made immediately prior to the close of business on the date fixed for the determination of stockholders entitled to receive such dividend or other distribution and the amount of such dividend or other distribution in property shall be deemed to be the value of such property as of the date of the adoption of the resolution declaring such dividend or other distribution, as reasonably determined by the Board of Directors in good faith at or as of that date. In the case of any such dividend or other distribution on Common Stock which consists of securities which are convertible into or exchangeable for shares of Common Stock, such securities shall be deemed to have been issued for a consideration equal to the value thereof as so determined.

If, upon the payment of any dividend or other distribution in cash or in property (excluding Common Stock but including all other securities), outstanding shares of Common Stock are cancelled or required to be surrendered for cancellation, on

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a pro rata basis, the excess of the number of shares of Common Stock outstanding immediately prior thereto over the number to be outstanding immediately thereafter (less that portion of such excess attributable to the cancellation of shares excluded from the definition of Additional Shares of Common Stock by clause (i), (ii) or (iii) of paragraph (d) above), shall be deducted from the sum computed pursuant to clause (ii) of paragraph (c) above for the purposes of all determinations under such paragraph (c) made immediately prior to the close of business on the date fixed for the determination of stockholders entitled to receive such dividend or other distribution and at any time thereafter.

The reclassification (including any reclassification upon a consolidation or merger in which the Corporation is the continuing corporation) of Common Stock into securities including other than Common Stock shall be deemed to involve (A) a distribution on Common Stock of such securities other than Common Stock made immediately prior to the close of business on the effective date of the reclassification, and (B) a combination or subdivision, as the case may be, of the number of shares of Common Stock outstanding immediately prior to such reclassification into the number of shares of Common Stock outstanding immediately thereafter.

The issuance by the Corporation of rights or warrants to subscribe for or purchase securities of the Corporation shall not be deemed to be a dividend or distribution of any kind.

(h) In case of the issuance of Additional Shares of Common Stock upon conversion or exchange of other securities of the Corporation, the amount of the consideration received by the Corporation for such Additional Shares of Common Stock shall be deemed to be the total of (A) the amount of the consideration, if any, received by the Corporation upon the issuance of such other securities, plus (B) the amount of the consideration, if any, other than such other securities, received by the Corporation (except in adjustment of interest or dividends) upon such conversion or exchange. In determining the amount of the consideration

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received by the Corporation upon the issuance of such other securities, (i) except as otherwise provided in the following clauses (ii) and (iii), the amount of the consideration in cash and other than cash shall be determined pursuant to (X) the first sentence of paragraph (e) above and (Y) paragraph (f) above (in each case as if all references therein to "Additional Shares of Common Stock", "shares" or "Common Stock" were referenced to such other securities), (ii) any such other securities issued by way of dividend or other distribution on any class of capital stock of the Corporation other than Common Stock shall be deemed to have been issued without consideration, (iii) the amount of the consideration for any such other securities issued by way of dividend or other distribution on Common Stock shall be determined pursuant to paragraph (g) above, and (iv) if securities of the same class or series of a class as such other securities were issued for different amounts of consideration, or if some were issued for no consideration, then the amount of the consideration received by the Corporation upon the issuance of each of the securities of such class or series, as the case may be, shall be deemed to be the average amount of the consideration received by the Corporation upon the issuance of all the securities of such class or series, as the case may be.

(i) In case Additional Shares of Common Stock are issued as a dividend or other distribution on any class of capital stock of the Corporation, the conversion price and the Differential Amount in effect at the opening of business on the day following the date fixed for the determination of stockholders entitled to receive such dividend or other distribution shall be reduced by multiplying each of them by a fraction of which the numerator shall be the number of shares of Common Stock outstanding at the close of business on the date fixed for such determination and the denominator shall be the sum of such number of shares and the total number of shares constituting such dividend or other distribution, such reductions to become effective immediately after the opening of business on the day following the date fixed for such determination. In the event of any such dividend or other distribution, the Additional

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Shares of Common Stock issued in connection therewith shall be deemed to have been issued immediately after the opening of business on the day following the date fixed for such determination and without consideration. For the purposes of this paragraph (i), the number of shares of Common Stock at any time outstanding shall not include shares held in the treasury of the Corporation but shall include shares issuable in respect of scrip certificates issued in lieu of fractions of shares of Common Stock (other than shares of Common Stock which, upon issuance, would not constitute Additional Shares of Common Stock). The Corporation will not pay any dividend or make any distribution on shares of Common Stock held in the treasury of the Corporation.

(j) In case the Corporation shall issue rights or warrants to all holders of its Common Stock entitling them to subscribe for or purchase shares of Common Stock at a price per share less than the conversion price in effect at the opening of business on the day following the date fixed for the determination of stockholders entitled to receive such rights or warrants, such conversion price and the Differential Amount shall be reduced by multiplying each of them by a fraction of which the numerator shall be the number of shares of Common Stock outstanding at the close of business on the date fixed for such determination plus the number of shares of Common Stock which the aggregate of the offering price of the total number of shares of Common Stock so offered for subscription or purchase would purchase at such conversion price and the denominator shall be the number of shares of Common Stock outstanding at the close of business on the date fixed for such determination plus the number of shares of Common Stock so offered for subscription or purchase, such reductions to become effective immediately after the opening of business on the day following the date fixed for such determination. In the event of any such issuance of rights or warrants, the shares of Common Stock issuable in connection therewith shall be deemed to be "Additional Shares of Common Stock" and to have been issued immediately after the opening of business on the day following the date fixed for such determination. For the purposes of this paragraph (j), the number of

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shares of Common Stock at any time outstanding shall not include shares held in the treasury of the Corporation but shall include shares issuable in respect of scrip certificates issued in lieu of fractions of shares of Common Stock (other than shares of Common Stock which, upon issuance, would not constitute Additional Shares of Common Stock). The Corporation will not issue any rights or warrants in respect of shares of Common Stock held in the treasury of the Corporation.

(k) In case outstanding shares of Common Stock shall be subdivided into a greater number of shares of Common Stock, the conversion price and the Differential Amount in effect at the opening of business on the day following the day upon which such subdivision becomes effective shall each be proportionately reduced, and conversely, in case outstanding shares of Common Stock shall each be combined into a smaller number of shares of Common Stock, the conversion price and the Differential Amount in effect at the opening of business on the day following the day upon which such combination becomes effective shall each be proportionately increased, such reductions or increases, as the case may be, to become effective immediately after the opening of business on the day following the day upon which such subdivision or combination becomes effective. In the event of any such subdivision, the number of shares of Common Stock outstanding immediately thereafter, to the extent of the excess thereof over the number outstanding immediately prior thereto (less that portion of such excess attributable to the subdivision of shares excluded from the definition of Additional Shares of Common Stock by clause (i), (ii) or (iii) of paragraph (d) above), shall be deemed to be "Additional Shares of Common Stock" and to have been issued immediately after the opening of business on the day following the day upon which such subdivision shall have become effective and without consideration. In the event of any such combination, the excess of the number of shares of Common Stock outstanding immediately prior thereto over the number outstanding immediately thereafter (less that portion of such excess attributable to the combination of shares excluded from the definition of Additional Shares of Common Stock by clause (i), (ii) or (iii) of

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paragraph (d) above) shall be deducted from the sum computed pursuant to clause (ii) of paragraph (c) above for the purposes of all determinations under such paragraph (c) made on any day after the day upon which such combination becomes effective. Shares of Common Stock held in the treasury of the Corporation and shares issuable in respect of scrip certificates issued in lieu of fractions of shares of Common Stock (other than shares of Common Stock which, upon issuance, would not constitute Additional Shares of Common Stock) shall be considered outstanding for the purposes of this paragraph (k).

(l) In case of any consolidation of the Corporation with, or merger of the Corporation into, any other corporation (other than a consolidation or merger in which the Corporation is the continuing corporation), or in case of any conveyance or transfer of the property and assets of the Corporation substantially as an entirety, each share of this Series of Preferred Stock shall be convertible into the number and kind of shares of stock and other securities and property receivable upon such consolidation, merger, conveyance or transfer by a holder of the number and kind of shares of the Corporation into which such shares of this Series of Preferred Stock might have been converted immediately prior to such consolidation, merger, conveyance or transfer. The above provisions shall similarly apply to successive consolidations, mergers, conveyances or transfers, but shall not apply to any merger of CMC Holding Company, Inc., into the Corporation.

(m) In case at any time or from time to time conditions arise by reason of action taken by the Corporation, which in the reasonable opinion of the Board of Directors are not adequately covered by the provisions contained in paragraphs (c) through (l) and (n), and which might adversely affect the conversion rights of the holders of this Series of Preferred Stock, the Board of Directors shall appoint a firm of independent certified public accountants of recognized national standing, who shall give their opinion upon the adjustment, if any (on a basis consistent with the standards established in the provisions contained herein), necessary with respect to the

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conversion price so as to preserve without dilution the conversion rights of holders of this Series of Preferred Stock. Upon receipt of such opinion, the Board of Directors shall forthwith make the adjustments described therein.

(n) The Corporation may make such reductions in the conversion price and the Differential Amount, in addition to those required by the foregoing paragraphs, as it considers to be advisable in order that any event treated for Federal income tax purposes as a dividend of stock or stock rights shall not be taxable to the recipients.

(o) Whenever the conversion price is adjusted as herein provided:

(i) the Corporation shall compute the adjusted conversion price in accordance with this Section (7) and shall prepare a certificate signed by the President and Treasurer of the Corporation setting forth the adjusted conversion price and showing in reasonable detail the facts upon which such adjustment is based, including a statement of the consideration received or to be received by the Corporation for, and the amount of, any Additional Shares of Common Stock issued since the last such adjustment, and such certificate shall forthwith be filed with the Transfer Agent or Agents for this Series; and

(ii) a notice stating that the conversion price has been adjusted and setting forth the adjusted conversion price shall forthwith be required, and as soon as practicable after it is required, such notice shall be mailed to the holders of record of the outstanding shares of this Series; provided, however, that if within 10 days after the completion of mailing such a notice, an additional notice is required, such additional notice shall be deemed to be required pursuant to this clause (ii) as of the opening of business on the tenth day after such completion of mailing and shall set forth the conversion price as adjusted at such opening of business, and, upon the completion of mailing of

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such additional notice, no other notice need be given of any adjustment in the conversion price occurring at or prior to such opening of business and after the time that the next preceding notice given by mail became required.

(p) In case:

(i) the Corporation shall declare a dividend (or any other distribution) on its Common Stock payable otherwise than in cash out of its earned surplus; or

(ii) the Corporation shall authorize the granting to the holders of its Common Stock of rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any other rights; or

(iii) of any reclassification of the capital stock of the Corporation (other than a subdivision or combination of its outstanding shares of Common Stock), or of any consolidation or merger to which the Corporation is a party and for which approval of any stockholders of the Corporation is required, or of the sale or transfer of all or substantially all of the assets of the Corporation; or

(iv) of the voluntary or involuntary dissolution, liquidation or winding up of the Corporation;

then the Corporation shall cause to be mailed to any Transfer Agent or Agents for this Series and to the holders of record of the outstanding shares of this Series, at least 20 days prior to the applicable record date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, rights or warrants, or if a record is not to be taken, the date as of which the holders of Common Stock of record to be entitled to such dividend, distribution, rights or warrants are to be determined, or (y) the date on which such reclassification, consolidation, merger, sale, transfer, dissolution, liquidation or

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winding up is expected to become effective, and the date as of which it is expected that holders of Common Stock of record shall be entitled to exchange their shares of Common Stock for securities or other property deliverable upon such reclassification, consolidation, merger, sale, transfer, dissolution, liquidation or winding up.

(q) The Corporation shall at all times reserve and keep available, free from preemptive rights, out of its authorized but unissued Common Stock, for the purpose of effecting the conversion of the shares of this Series, the full number of shares of Common Stock then deliverable upon the conversion of all shares of this Series then outstanding.

(r) No fractional shares of Common Stock shall be issued upon conversion, but, instead of any fraction of a share which would otherwise be issuable, the Corporation shall pay a cash adjustment in respect of such fraction in an amount equal to the same fraction of the fair market value per share of Common Stock (as reasonably determined by the Board of Directors in good faith) at the close of business on the day of conversion.

(s) The Corporation shall pay all transfer, documentary stamp or other similar transactional taxes attributable to the issuance or delivery of shares of Common Stock upon conversion of any shares of this Series of Preferred Stock.

(t) For the purpose of this Section (7), the term "Common Stock" shall include any stock of any class of the Corporation which has no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation and which is not subject to redemption by the Corporation. However, shares issuable on conversion of shares of this Series shall include only shares of the class designated as Common Stock of the Corporation as of December 31, 1985, or shares of any class or classes resulting from any reclassification thereof and which have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation.

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dissolution or winding up of the Corporation and which are not subject to redemption by the Corporation; provided that if at any time there shall be more than one such resulting class, the shares of each such class then so issuable shall be substantially in the proportion which the total number of shares of such class resulting from all such reclassifications bears to the total number of shares of all such classes resulting from all such reclassifications.

(8) Stock to be Nonassessable. Upon issuance of any shares of A Preferred Stock, and payment to the Corporation of the stated value thereof, such shares shall be fully paid and nonassessable, and such shares of Common Stock as shall be issuable upon conversion of A Preferred Stock shall be fully paid and nonassessable when the same shall be issued.

16.5% CUMULATIVE CONVERTIBLE B PREFERRED STOCK

(1) Designation. 100,000 shares of the Preferred Stock, having a par value of \$100.00 per share, of the Corporation are hereby constituted as a series of Preferred Stock, having a par value of \$100.00 per share, designated as "16.5% Cumulative Convertible B Preferred Stock" (herein called "B Preferred Stock").

(2) Dividends. The holders of shares of B Preferred Stock shall be entitled to receive, in preference to any stock junior in priority as to dividends, dividends, when and as declared by the Board of Directors, payable in shares of the Corporation's D Preferred Stock at the annual rate of 0.165 shares of D Preferred Stock per share, and no more, provided that such dividends shall not be paid (but shall continue to accrue) through and including December 31, 1990, if all dividends on the Corporation's A Preferred Stock and E Preferred Stock shall not have been paid in full. The Corporation may issue scrip certificates in lieu of issuing certificates for fractional shares in connection with any dividend paid in D Preferred Stock. The dividends on shares of B Preferred Stock shall be payable quarterly on the first day of January, April, July and October in each year, commencing January 1, 1986,

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to holders of record on such respective dates, not exceeding 30 days preceding the payment date thereof, as may be determined by the Board of Directors in advance of the payment of each particular dividend. No dividends shall be declared on any other series or class or classes of stock ranking on a parity with the B Preferred Stock as to dividends in respect of any quarter-yearly dividend period unless there shall likewise be or have been declared on all shares of B Preferred Stock at the time outstanding like dividends for all quarter-yearly periods coinciding with or ending before such quarter-yearly period, ratably in proportion to the respective annual dividend rates per annum fixed therefor. Dividends on C Preferred Stock and D Preferred Stock and, after December 31, 1990, dividends on A Preferred Stock and E Preferred Stock shall be payable on a parity with dividends on B Preferred Stock. Dividends shall be cumulative and will accrue on each share of B Preferred Stock whether or not earned or declared, and whether or not there are from time to time funds legally available therefor, from the date of issue thereof except that dividends on shares of B Preferred Stock issued after the first date of issue of any shares of B Preferred Stock shall accrue from such first date of issue, or from the most recent dividend payment due in the case of shares issued after the initial dividend payment date. No interest, or sum of money in lieu of interest, shall be payable in respect of any dividend payment or payments which may be in arrears. Dividends payable on the B Preferred Stock for any period less than a full quarter shall be computed on the basis of a 360-day year.

If in any quarter-yearly dividend period stock dividends at the full annual rate set forth above in this Section (2) shall not have been declared and paid or set apart for payment on all outstanding shares of B Preferred Stock for such quarter-yearly dividend period and all preceding quarter-yearly dividend periods from and after the first day from which dividends are cumulative, then, until the aggregate deficiency shall be declared and fully paid or set apart for payment, the Corporation shall not (i) declare or pay or set apart for payment any dividends or make any

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other distribution on the Common Stock or any other capital stock of the Corporation ranking junior to the B Preferred Stock with respect to the payment of dividends or distribution of assets on liquidation, dissolution or winding up of the Corporation (the Common Stock and such other stock being herein referred to as "Junior Stock") or (ii) make any payment on account of the purchase, redemption or other retirement of any Junior Stock, except for purchases of Junior Stock held by or for The Employee Stock Ownership Plan of Crucible Materials Corporation, The Crucible Fund for Eligible Salaried Employees of all Divisions of Crucible Materials Corporation or any other employee stock ownership plan (as defined in Section 4975 of the Internal Revenue Code of 1954, as amended) for employees of the Corporation or a subsidiary of the Corporation subject to a collective bargaining agreement, or any participant therein or beneficiary thereof to the extent of any Junior Stock distributed by any of the aforementioned plans or fund, and except for purchases of Junior Stock held by Technology Metals, Inc. contemplated by the Pledge Agreement dated as of December 17, 1985, between Colt Industries Inc and Technology Metals, Inc.

(3) Liquidation Preference. In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, before any payment or distribution of the assets of the Corporation (whether capital or surplus) shall be made to or set apart for the holders of any series or class or classes of stock of the Corporation ranking junior to the B Preferred Stock upon liquidation, dissolution or winding up, the holders of the shares of the B Preferred Stock shall be entitled to receive, in cash, \$100 per share plus an amount equal to all dividends accrued and unpaid thereon to the date of final distribution to such holders, whether or not earned or declared; but such holders shall not be entitled to any further payment. If, upon any liquidation, dissolution or winding up of the Corporation, the assets of the Corporation, or proceeds thereof, distributable among the holders of the shares of the B Preferred Stock shall be insufficient to pay in full the preferential amount aforesaid and liquidating payment on any

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other Preferred Stock ranking as to liquidation, dissolution or winding up, on a parity with the B Preferred Stock, then such assets, or the proceeds thereof, shall be distributed among the holders of B Preferred Stock and any such other Preferred Stock ratably in accordance with the respective amounts which would be payable upon liquidation, dissolution or winding up on such shares of B Preferred Stock and any such other Preferred Stock if all amounts payable thereon were paid in full. For the purposes of this Section (3), a consolidation or merger of the Corporation with one or more corporations shall not be deemed to be a liquidation, dissolution or winding up, voluntary or involuntary.

Subject to the rights of the holders of any series or class or classes of stock ranking on a parity with or prior to the B Preferred Stock upon liquidation, dissolution or winding up, upon any liquidation, dissolution or winding up of the Corporation, after payment shall have been made in full to the B Preferred Stock as provided in this Section (3), but not prior thereto, any other series or class or classes of stock ranking junior to the B Preferred Stock upon liquidation shall, subject to the respective terms and provisions (if any) applying thereto, be entitled to receive any and all assets remaining to be paid or distributed, and the B Preferred Stock shall not be entitled to share therein.

For the purposes of this Section (3), the B Preferred Stock ranks on a parity with the A Preferred Stock, the C Preferred Stock, the D Preferred Stock and the E Preferred Stock upon liquidation.

(4) Redemption.

(a) The B Preferred Stock may not be redeemed prior to January 1, 1994. Thereafter, the Corporation, at its option, may redeem shares of the B Preferred Stock, as a whole or in part, at any time or from time to time at a redemption price of \$100 per share payable in cash, plus accrued and unpaid dividends thereon to the date fixed for redemption payable in cash (the sum of \$100 together with such accrued and unpaid

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dividends being referred to herein as the "Redemption Price").

(b) In the event the Corporation shall redeem shares of B Preferred Stock, notice of such redemption shall be given by first class mail, postage prepaid, mailed not less than 30 nor more than 60 days prior to the redemption date, to each holder of record of the shares to be redeemed, at such holder's address as the same appears on the stock register of the Corporation. Each such notice shall state: (1) the redemption date; (2) the number of shares of B Preferred Stock to be redeemed and, if less than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder; (3) the Redemption Price; (4) the place or places where certificates for such shares are to be surrendered for payment of the Redemption Price; and (5) that dividends on the shares to be redeemed will cease to accrue on such redemption date. Notice having been mailed as aforesaid, from and after the redemption date (unless default shall be made by the Corporation in providing money for the indefeasible payment of the Redemption Price) dividends on the shares of the B Preferred Stock so called for redemption shall cease to accrue, and said shares shall no longer be deemed to be outstanding, and all rights of the holders thereof as stockholders of the Corporation (except the right to receive from the Corporation the Redemption Price) shall cease. The Corporation's obligation to provide moneys in accordance with the preceding sentence shall be deemed fulfilled if, on or before the redemption date, the Corporation shall deposit with a bank or trust company having an office in the City of Pittsburgh, Pennsylvania, or the Borough of Manhattan, City of New York, having a capital and surplus of at least \$50,000,000, funds necessary for such redemption, in trust, with irrevocable instructions that such funds be applied to the redemption of the shares of B Preferred Stock so called for redemption. Any interest accrued on such funds shall be paid to the Corporation from time to time. Any funds so deposited and unclaimed at the end of six years from such redemption date shall be released or repaid to the Corporation, after which the holder or holders of such shares of

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B Preferred Stock so called for redemption shall look only to the Corporation for payment of the Redemption Price.

Upon surrender in accordance with said notice of the certificates for any shares so redeemed (properly endorsed or assigned for transfer, if the Board of Directors of the Corporation shall so require and the notice shall so state), such shares shall be redeemed by the Corporation at the Redemption Price. If less than all the outstanding shares of B Preferred Stock are to be redeemed, shares to be redeemed shall be selected by the Corporation from outstanding shares of B Preferred Stock not previously called for redemption by lot or pro rata (as nearly as may be) or by any other method determined by the Corporation in its sole discretion to be equitable. If less than all of the outstanding shares represented by any surrendered certificate are to be redeemed, a new certificate representing the unredeemed shares shall be issued without charge.

In no event shall the Corporation redeem less than all the outstanding shares of B Preferred Stock pursuant to subsection (a) of this Section (4) unless full cumulative dividends shall have been paid or declared and set apart for payment upon all outstanding shares of B Preferred Stock for all past dividend periods.

(5) Shares to be Retired. All shares of B Preferred Stock redeemed or purchased by the Corporation or converted shall be retired and cancelled and shall be restored to the status of authorized but unissued shares of Preferred Stock, without designation as to series, and may thereafter be issued, but not as shares of B Preferred Stock.

(6) Voting. Except as expressly provided hereinafter in this Section (6) or as otherwise from time to time required by law, the B Preferred Stock shall have no voting rights. Whenever, at any time or times, dividends payable on the B Preferred Stock shall be in arrears in an amount equal to at least six full quarterly dividends on the B Preferred Stock at the time outstanding, the holders of the outstanding B Preferred Stock shall

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have the right, voting together as a class with holders of shares of all other series of Preferred Stock upon which like voting rights have been conferred and are exercisable, to elect a single director of the Corporation at the Corporation's next annual meeting of stockholders and at each subsequent annual meeting of stockholders. At elections for such directors, each holder of B Preferred Stock shall be entitled to one vote for each share held (the holders of shares of any other series of Preferred Stock being entitled to such number of votes, if any, for each share of stock held as may be granted to them). Upon the vesting of such right of the holders of the B Preferred Stock, the maximum authorized number of members of the Board of Directors shall automatically be increased by one and the vacancy so created shall be filled by the vote of the holders of the outstanding B Preferred Stock, together with the holders of shares of all other series of Preferred Stock, as hereinabove set forth.

Upon any termination of the right of the holders of the Preferred Stock to vote for directors as herein provided, the term of office of the director then in office elected by the holders of the Preferred Stock voting as a class shall terminate immediately. The right of the holders of this series of Preferred Stock to vote for directors shall terminate immediately upon all dividend averages being cured with respect to this series of Preferred Stock. If the office of any director elected by the holders of the Preferred Stock voting as a class becomes vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, the holders of the series of Preferred Stock which had the right to elect such director may choose a successor who shall hold office for the unexpired term in respect of which such vacancy occurred. Whenever the term of office of the director elected by the holders of the Preferred Stock shall end and the special voting powers vested in the holders of the Preferred Stock as provided in this Section (6) shall have expired, the number of directors shall be such number as may be provided for in the By-Laws irrespective of any increase made pursuant to the provisions of this Section (6).

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So long as any shares of B Preferred Stock remain outstanding, the consent of the holders of at least two-thirds of the shares of B Preferred Stock outstanding at the time (voting separately as a class with all other series of Preferred Stock ranking on a parity with B Preferred Stock either as to dividends or the distribution of assets upon liquidation, dissolution or winding up and upon which like voting rights have been conferred and are exercisable) given in person or by proxy, either in writing or at any special or annual meeting called for the purpose, shall be necessary to permit, effect or validate any one or more of the following:

(a) the authorization, creation or issuance, or any increase in the authorized or issued amount, of any class or series of stock (including any class or series of preferred stock) ranking prior to or on a parity with as those terms are hereinafter defined in this Section (6) the B Preferred Stock, except for any class or series of stock to be issued to any Future Union ESOP; or

(b) the amendment, alteration or repeal, whether by merger, consolidation or otherwise, of any of the provisions of the Certificate of Incorporation or of these resolutions, or any merger or consolidation, which would adversely affect any right, preference, privilege or voting power of the B Preferred Stock or of the holders thereof; provided, however, that any increase in the amount of authorized Preferred Stock or the creation and issuance of other series of Preferred Stock, in each case ranking on a parity with or junior to the B Preferred Stock with respect to the payment of dividends and the distribution of assets upon liquidation, dissolution or winding up, shall not be deemed to materially and adversely affect such rights, preferences, privileges or voting powers; or

(c) the sale, transfer or lease of all or substantially all of the properties and assets of the Corporation outside its

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ordinary course of business; provided, however, that nothing herein shall require the consent of the holders of the B Preferred Stock for or in respect of the creation of any mortgage, pledge or other lien upon all or any part of the assets of the Corporation.

The foregoing voting provisions shall not apply if, at or prior to the time when the act with respect to which such vote would otherwise be required shall be effected, all outstanding shares of the B Preferred Stock shall have been redeemed or sufficient funds shall have been deposited in trust to effect such redemption.

Any class or classes of stock of the Corporation shall be deemed to rank:

(i) prior to the B Preferred Stock as to dividends or as to distribution of assets upon liquidation, dissolution or winding up to the extent that the holders of such class shall be entitled to the receipt of dividends or of amounts distributable upon liquidation, dissolution or winding up, as the case may be, in preference or priority to the holders of the B Preferred Stock; and

(ii) on a parity with the B Preferred Stock as to dividends or as to distribution of assets upon liquidation, dissolution or winding up, whether or not the dividend rates, dividend payment dates, or redemption or liquidation prices per share thereof be different from those of the B Preferred Stock, if the holders of such class and the B Preferred Stock shall be entitled to the receipt of dividends or of amounts distributable upon liquidation, dissolution or winding up, as the case may be, in proportion to their respective dividend rates or liquidation prices, without preference or priority one over the other.

The B Preferred Stock, C Preferred Stock, D Preferred Stock and E Preferred Stock shall be deemed to rank on a parity with each other for all purposes.

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(7) Conversion. The holders of shares of B Preferred Stock shall have the right, at their option, to convert any or all of such shares into fully paid and nonassessable shares of Common Stock of the Corporation at any time on and subject to the following terms and conditions:

(a) The shares of B Preferred Stock shall be convertible at the office of the Transfer Agent, and at such other office or offices, if any, as the Board of Directors may designate, into shares (calculated as to each conversion to the nearest 1/100 of a share) of Common Stock of the Corporation, at the conversion price, determined as herein-after provided, in effect at the time of conversion, each share of B Preferred Stock being taken at \$100 for the purpose of such conversion. The price at which shares of Common Stock shall be delivered upon conversion (herein called the "conversion price") shall be initially \$3.89 per share of Common Stock. The conversion price shall be adjusted in certain instances as provided in paragraphs (c), (i), (j), (k) and (l) below and shall be increased in certain instances as provided in paragraph (k) below.

(b) In order to convert shares of B Preferred Stock into Common Stock, the holder thereof shall surrender at any office hereinabove mentioned the certificate or certificates therefor, duly endorsed or assigned to the Corporation or in blank, and give written notice to the Corporation at said office that such holder elects to convert such shares. Holders of shares of the B Preferred Stock surrendered for conversion during the period from the close of business on any record date for the payment of a dividend on the shares of this Series to the opening of business on the date for payment of such dividend shall be entitled to receive the dividend payable on such dividend payment date on the shares of this Series being surrendered for conversion. No payment or adjustment shall be made upon any conversion on account of any dividends accrued on the shares of B Preferred Stock surrendered for conversion or on

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account of any dividends on the Common Stock issued upon conversion.

Shares of this Series shall be deemed to have been converted immediately prior to the close of business on the day of the surrender of such shares for conversion in accordance with the foregoing provisions, and the person or persons entitled to receive the Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such Common Stock at such time. As promptly as practicable on or after the conversion date, the Corporation shall issue and shall deliver at said office a certificate or certificates for the number of full shares of Common Stock issuable upon such conversion, together with payment in lieu of any fraction of a share, as hereinafter provided, to the person or persons entitled to receive the same. In case shares of B Preferred Stock are called for redemption, the right to convert such shares shall cease and terminate at the close of business on the date fixed for redemption, unless default shall be made in payment of the redemption price.

(c) In case the conversion price in effect immediately prior to the close of business on any day shall exceed by 25 cents or more the amount determined at the close of business on such day by dividing:

(1) a sum equal to (A) 5,211,000 multiplied by \$3.89 (being the initial conversion price), plus (B) the aggregate of the amounts of all consideration received by the Corporation upon the issuance of Additional Shares of Common Stock, as hereinafter defined (including, without duplication in the event of the actual receipt thereof, amounts deemed to have been received by the Corporation pursuant to the last sentence of paragraph (e) below), minus (C) the aggregate of the amounts of all dividends and other distributions which have been paid or made after December 31, 1985 on Common Stock of the Corporation, other than in cash out of its earned surplus or in Common Stock of the Corporation, by

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- (ii) the sum of (A) 5,211,000 and
(B) the number of Additional Shares of Common
Stock,

the conversion price shall be reduced, effective immediately prior to the opening of business on the next succeeding day, by an amount equal to the amount by which such conversion price shall exceed the amount so determined. The foregoing amount of 25 cents (or such amount as theretofore adjusted) shall be subject to adjustment as provided in paragraphs (i), (j), (k) and (l) below, and such amount (or such amount as theretofore adjusted) is referred to in such paragraphs as the "Differential Amount".

(d) Paragraphs (d) through (t), inclusive, of Section (7) of the terms and conditions of the A Preferred Stock are hereby incorporated in this Section (7) as if set forth in full herein as paragraphs (d) through (t), inclusive, of this Section (7).

(8) Stock to be Nonassessable. Upon issuance of any shares of B Preferred Stock, and payment to the Corporation of the stated value thereof, such shares shall be fully paid and nonassessable, and such shares of Common Stock as shall be issuable upon conversion of B Preferred Stock shall be fully paid and nonassessable when the same shall be issued.

16.5% CUMULATIVE CONVERTIBLE C PREFERRED STOCK

(1) Designation. 63,000 shares of the Preferred Stock, having a par value of \$100.00 per share, of the Corporation are hereby constituted as a series of Preferred Stock, having a par value of \$100.00 per share, designated as "16.5% Cumulative Convertible C Preferred Stock" (herein called "C Preferred Stock").

(2) Dividends. The holders of shares of C Preferred Stock shall be entitled to receive, in preference to any stock junior in priority as to dividends, dividends, when and as declared by the Board of Directors, payable in shares of the Corporation's D Preferred Stock at the annual rate of 0.165 shares of D Preferred Stock per share, and no more, provided that such dividends shall

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not be paid (but shall continue to accrue) through and including December 31, 1990, if all dividends on the Corporation's A Preferred Stock and E Preferred Stock shall not have been paid in full. The Corporation may issue scrip certificates in lieu of issuing certificates for fractional shares in connection with any dividend paid in D Preferred Stock. The dividends on shares of C Preferred Stock shall be payable quarterly on the first day of January, April, July and October in each year, commencing January 1, 1986, to holders of record on such respective dates, not exceeding 30 days preceding the payment date thereof, as may be determined by the Board of Directors in advance of the payment of each particular dividend. No dividends shall be declared on any other series or class or classes of stock ranking on a parity with the C Preferred Stock as to dividends in respect of any quarter-yearly dividend period unless there shall likewise be or have been declared on all shares of C Preferred Stock at the time outstanding like dividends for all quarter-yearly periods coinciding with or ending before such quarter-yearly period, ratably in proportion to the respective annual dividend rates per annum fixed therefor. Dividends on B Preferred Stock and D Preferred Stock and, after December 31, 1990, dividends on A Preferred Stock and E Preferred Stock shall be payable on a parity with dividends on C Preferred Stock. Dividends shall be cumulative and will accrue on each share of C Preferred Stock whether or not earned or declared, and whether or not there are from time to time funds legally available therefor, from the date of issue thereof except that dividends on shares of C Preferred Stock issued after the first date of issue of any shares of C Preferred Stock shall accrue from such first date of issue, or from the most recent dividend payment due in the case of shares issued after the initial dividend payment date. No interest, or sum of money in lieu of interest, shall be payable in respect of any dividend payment or payments which may be in arrears. Dividends payable on the C Preferred Stock for any period less than a full quarter shall be computed on the basis of a 360-day year.

If in any quarter-yearly dividend period stock dividends at the full annual rate set forth

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above in this Section (2) shall not have been declared and paid or set apart for payment on all outstanding shares of C Preferred Stock for such quarter-yearly dividend period and all preceding quarter-yearly dividend periods from and after the first day from which dividends are cumulative, then, until the aggregate deficiency shall be declared and fully paid or set apart for payment, the Corporation shall not (i) declare or pay or set apart for payment any dividends or make any other distribution on the Common Stock or any other capital stock of the Corporation ranking junior to the C Preferred Stock with respect to the payment of dividends or distribution of assets on liquidation, dissolution or winding up of the Corporation (the Common Stock and such other stock being herein referred to as "Junior Stock") or (ii) make any payment on account of the purchase, redemption or other retirement of any Junior Stock, except for purchases of Junior Stock held by or for The Employee Stock Ownership Plan of Crucible Materials Corporation, The Crucible Fund for Eligible Salaried Employees of all Divisions of Crucible Materials Corporation or any other employee stock ownership plan (as defined in Section 4975 of the Internal Revenue Code of 1954, as amended) for employees of the Corporation or a subsidiary of the Corporation subject to a collective bargaining agreement, or any participant therein or beneficiary thereof to the extent of any Junior Stock distributed by any of the aforementioned plans or fund, and except for purchases of Junior Stock held by Technology Metals, Inc. contemplated by the Pledge Agreement dated as of December 17, 1985, between Colt Industries Inc and Technology Metals, Inc.

(3) Liquidation Preference. In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, before any payment or distribution of the assets of the Corporation (whether capital or surplus) shall be made to or set apart for the holders of any series or class or classes of stock of the Corporation ranking junior to the C Preferred Stock upon liquidation, dissolution or winding up, the holders of the shares of the C Preferred Stock shall be entitled to receive, in cash, \$100 per share plus an amount equal to all dividends

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accrued and unpaid thereon to the date of final distribution to such holders, whether or not earned or declared; but such holders shall not be entitled to any further payment. If, upon any liquidation, dissolution or winding up of the Corporation, the assets of the Corporation, or proceeds thereof, distributable among the holders of the shares of the C Preferred Stock shall be insufficient to pay in full the preferential amount aforesaid and liquidating payment on any other Preferred Stock ranking as to liquidation, dissolution or winding up, on a parity with the C Preferred Stock, then such assets, or the proceeds thereof, shall be distributed among the holders of C Preferred Stock and any such other Preferred Stock ratably in accordance with the respective amounts which would be payable upon liquidation, dissolution or winding up on such shares of C Preferred Stock and any such other Preferred Stock if all amounts payable thereon were paid in full. For the purposes of this Section (3), a consolidation or merger of the Corporation with one or more corporations shall not be deemed to be a liquidation, dissolution or winding up, voluntary or involuntary.

Subject to the rights of the holders of any series or class or classes of stock ranking on a parity with or prior to the C Preferred Stock upon liquidation, dissolution or winding up, upon any liquidation, dissolution or winding up of the Corporation, after payment shall have been made in full to the C Preferred Stock as provided in this Section (3), but not prior thereto, any other series or class or classes of stock ranking junior to the C Preferred Stock upon liquidation shall, subject to the respective terms and provisions (if any) applying thereto, be entitled to receive any and all assets remaining to be paid or distributed, and the C Preferred Stock shall not be entitled to share therein.

For the purposes of this Section (3), the C Preferred Stock ranks on a parity with the A Preferred Stock, the B Preferred Stock, the D Preferred Stock and the E Preferred Stock upon liquidation.

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(4) Redemption.

(a) The C Preferred Stock may not be redeemed prior to January 1, 1994. Thereafter, the Corporation, at its option, may redeem shares of the C Preferred Stock, as a whole or in part, at any time or from time to time at a redemption price of \$100 per share payable in cash, plus accrued and unpaid dividends thereon to the date fixed for redemption payable in cash (the sum of \$100 together with such accrued and unpaid dividends being referred to herein as the "Redemption Price").

(b) In the event the Corporation shall redeem shares of C Preferred Stock, notice of such redemption shall be given by first class mail, postage prepaid, mailed not less than 30 nor more than 60 days prior to the redemption date, to each holder of record of the shares to be redeemed, at such holder's address as the same appears on the stock register of the Corporation. Each such notice shall state: (1) the redemption date; (2) the number of shares of C Preferred Stock to be redeemed and, if less than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder; (3) the Redemption Price; (4) the place or places where certificates for such shares are to be surrendered for payment of the Redemption Price; and (5) that dividends on the shares to be redeemed will cease to accrue on such redemption date. Notice having been mailed as aforesaid, from and after the redemption date (unless default shall be made by the Corporation in providing money for the indefeasible payment of the Redemption Price) dividends on the shares of the C Preferred Stock so called for redemption shall cease to accrue, and said shares shall no longer be deemed to be outstanding, and all rights of the holders thereof as stockholders of the Corporation (except the right to receive from the Corporation the Redemption Price) shall cease. The Corporation's obligation to provide moneys in accordance with the

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preceding sentence shall be deemed fulfilled if, on or before the redemption date, the Corporation shall deposit with a bank or trust company having an office in the City of Pittsburgh, Pennsylvania, or the Borough of Manhattan, City of New York, having a capital and surplus of at least \$50,000,000, funds necessary for such redemption, in trust, with irrevocable instructions that such funds be applied to the redemption of the shares of C Preferred Stock so called for redemption. Any interest accrued on such funds shall be paid to the Corporation from time to time. Any funds so deposited and unclaimed at the end of six years from such redemption date shall be released or repaid to the Corporation, after which the holder or holders of such shares of C Preferred Stock so called for redemption shall look only to the Corporation for payment of the Redemption Price.

Upon surrender in accordance with said notice of the certificates for any shares so redeemed (properly endorsed or assigned for transfer, if the Board of Directors of the Corporation shall so require and the notice shall so state), such shares shall be redeemed by the Corporation at the Redemption Price. If less than all the outstanding shares of C Preferred Stock are to be redeemed, shares to be redeemed shall be selected by the Corporation from outstanding shares of C Preferred Stock not previously called for redemption by lot or pro rata (as nearly as may be) or by any other method determined by the Corporation in its sole discretion to be, equitable. If less than all of the outstanding shares represented by any surrendered certificate are to be redeemed, a new certificate representing the unredeemed shares shall be issued without charge.

In no event shall the Corporation redeem less than all the outstanding shares of C Preferred Stock pursuant to subsection (a) of this Section (4) unless full cumulative dividends shall have been paid or declared and set apart for payment upon all outstanding shares of C Preferred Stock for all past dividend periods.

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(5) Shares to be Retired. All shares of C Preferred Stock redeemed or purchased by the Corporation or converted shall be retired and cancelled and shall be restored to the status of authorized but unissued shares of Preferred Stock, without designation as to series, and may thereafter be issued, but not as shares of C Preferred Stock.

(6) Voting. Except as expressly provided hereinafter in this Section (6) or as otherwise from time to time required by law, the C Preferred Stock shall have no voting rights. Whenever, at any time or times, dividends payable on the C Preferred Stock shall be in arrears in an amount equal to at least six full quarterly dividends on the C Preferred Stock at the time outstanding, the holders of the outstanding C Preferred Stock shall have the right, voting together as a class with holders of shares of all other series of Preferred Stock upon which like voting rights have been conferred and are exercisable, to elect a single director of the Corporation at the Corporation's next annual meeting of stockholders and at each subsequent annual meeting of stockholders. At elections for such directors, each holder of C Preferred Stock shall be entitled to one vote for each share held (the holders of shares of any other series of Preferred Stock being entitled to such number of votes, if any, for each share of stock held as may be granted to them). Upon the vesting of such right of the holders of the C Preferred Stock, the maximum authorized number of members of the Board of Directors shall automatically be increased by one and the vacancy so created shall be filled by the vote of the holders of the outstanding C Preferred Stock, together with the holders of shares of all other series of Preferred Stock, as hereinabove set forth.

Upon any termination of the right of the holders of the Preferred Stock to vote for directors as herein provided, the term of office of the director then in office elected by the holders of the Preferred Stock voting as a class shall terminate immediately. The right of the holders of this series of Preferred Stock to vote for directors shall terminate immediately upon all dividend arrearages being cured with respect to

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this series of Preferred Stock. If the office of any director elected by the holders of the Preferred Stock voting as a class becomes vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, the holders of the series of Preferred Stock which had the right to elect such director may choose a successor who shall hold office for the unexpired term in respect of which such vacancy occurred. Whenever the term of office of the director elected by the holders of the Preferred Stock shall end and the special voting powers vested in the holders of the Preferred Stock as provided in this Section (6) shall have expired, the number of directors shall be such number as may be provided for in the By-Laws irrespective of any increase made pursuant to the provisions of this Section (6).

So long as any shares of C Preferred Stock remain outstanding, the consent of the holders of at least two-thirds of the shares of C Preferred Stock outstanding at the time (voting separately as a class with all other series of Preferred Stock ranking on a parity with C Preferred Stock either as to dividends or the distribution of assets upon liquidation, dissolution or winding up and upon which like voting rights have been conferred and are exercisable) given in person or by proxy, either in writing or at any special or annual meeting called for the purpose, shall be necessary to permit, effect or validate any one or more of the following:

(a) the authorization, creation or issuance, or any increase in the authorized or issued amount, of any class or series of stock (including any class or series of preferred stock) ranking prior to or on a parity with as those terms are hereinafter defined in this Section (6) the C Preferred Stock, except for any class or series of stock to be issued to any Future Union ESOP; or

(b) the amendment, alteration or repeal, whether by merger, consolidation or otherwise, of any of the provisions of the Certificate of Incorporation or of these

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resolutions, or any merger or consolidation, which would adversely affect any right, preference, privilege or voting power of the C Preferred Stock or of the holders thereof; provided, however, that any increase in the amount of authorized Preferred Stock or the creation and issuance of other series of Preferred Stock, in each case ranking on a parity with or junior to the C Preferred Stock with respect to the payment of dividends and the distribution of assets upon liquidation, dissolution or winding up, shall not be deemed to materially and adversely affect such rights, preferences, privileges or voting powers; or

(c) the sale, transfer or lease of all or substantially all of the properties and assets of the Corporation outside its ordinary course of business; provided, however, that nothing herein shall require the consent of the holders of the C Preferred Stock for or in respect of the creation of any mortgage, pledge or other lien upon all or any part of the assets of the Corporation.

The foregoing voting provisions shall not apply if, at or prior to the time when the act with respect to which such vote would otherwise be required shall be effected, all outstanding shares of the C Preferred Stock shall have been redeemed or sufficient funds shall have been deposited in trust to effect such redemption.

Any class or classes of stock of the Corporation shall be deemed to rank:

(i) prior to the C Preferred Stock as to dividends or as to distribution of assets upon liquidation, dissolution or winding up to the extent that the holders of such class shall be entitled to the receipt of dividends or of amounts distributable upon liquidation, dissolution or winding up, as the case may be, in preference or priority to the holders of the C Preferred Stock; and

(ii) on a parity with the C Preferred Stock as to dividends or as to distribution

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of assets upon liquidation, dissolution or winding up, whether or not the dividend rates, dividend payment dates, or redemption or liquidation prices per share thereof be different from those of the C Preferred Stock, if the holders of such class and the C Preferred Stock shall be entitled to the receipt of dividends or of amounts distributable upon liquidation, dissolution or winding up, as the case may be, in proportion to their respective dividend rates or liquidation prices, without preference or priority one over the other.

The B Preferred Stock, C Preferred Stock, D Preferred Stock and E Preferred Stock shall be deemed to rank on a parity with each other for all purposes.

(7) Conversion. The holders of shares of C Preferred Stock shall have the right, at their option, to convert any or all of such shares into fully paid and nonassessable shares of Common Stock of the Corporation at any time on and subject to the following terms and conditions:

(a) The shares of C Preferred Stock shall be convertible at the office of the Transfer Agent, and at such other office or offices, if any, as the Board of Directors may designate, into shares (calculated as to each conversion to the nearest 1/100 of a share) of Common Stock of the Corporation, at the conversion price, determined as hereinafter provided, in effect at the time of conversion, each share of C Preferred Stock being taken at \$100 for the purpose of such conversion. The price at which shares of Common Stock shall be delivered upon conversion (herein called the "conversion price") shall be initially \$6.75 per share of Common Stock. The conversion price shall be adjusted in certain instances as provided in paragraphs (c), (i), (j), (k) and (l) below and shall be increased in certain instances as provided in paragraph (k) below.

(b) In order to convert shares of C Preferred Stock into Common Stock, the holder thereof shall surrender at any office hereinabove mentioned the certificate or certificates therefor, duly endorsed or assigned to the Corporation

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or in blank, and give written notice to the Corporation at said office that such holder elects to convert such shares. Holders of shares of the C Preferred Stock surrendered for conversion during the period from the close of business on any record date for the payment of a dividend on the shares of this Series to the opening of business on the date for payment of such dividend shall be entitled to receive the dividend payable on such dividend payment date on the shares of this Series being surrendered for conversion. No payment or adjustment shall be made upon any conversion on account of any dividends accrued on the shares of C Preferred Stock surrendered for conversion or on account of any dividends on the Common Stock issued upon conversion.

Shares of this Series shall be deemed to have been converted immediately prior to the close of business on the day of the surrender of such shares for conversion in accordance with the foregoing provisions, and the person or persons entitled to receive the Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such Common Stock at such time. As promptly as practicable on or after the conversion date, the Corporation shall issue and shall deliver at said office a certificate or certificates for the number of full shares of Common Stock issuable upon such conversion, together with payment in lieu of any fraction of a share, as hereinafter provided, to the person or persons entitled to receive the same. In case shares of C Preferred Stock are called for redemption, the right to convert such shares shall cease and terminate at the close of business on the date fixed for redemption, unless default shall be made in payment of the redemption price.

(c) In case the conversion price in effect immediately prior to the close of business on any day shall exceed by 25 cents or more the amount determined at the close of business on such day by dividing:

(i) a sum equal to (A) 6,845,000 multiplied by \$6.75 (being the initial conversion price), plus (B) the aggregate of the amounts of all consideration received by the

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Corporation upon the issuance of Additional Shares of Common Stock, as hereinafter defined (including, without duplication in the event of the actual receipt thereof, amounts deemed to have been received by the Corporation pursuant to the last sentence of paragraph (e) below), minus (C) the aggregate of the amounts of all dividends and other distributions which have been paid or made after December 31, 1985 on Common Stock of the Corporation, other than in cash out of its earned surplus or in Common Stock of the Corporation, by

(ii) the sum of (A) 6,845,000 and (B) the number of Additional Shares of Common Stock,

the conversion price shall be reduced, effective immediately prior to the opening of business on the next succeeding day, by an amount equal to the amount by which such conversion price shall exceed the amount so determined. The foregoing amount of 25 cents (or such amount as theretofore adjusted) shall be subject to adjustment as provided in paragraphs (i), (j), (k) and (l) below, and such amount (or such amount as theretofore adjusted) is referred to in such paragraphs as the "Differential Amount".

(d) Paragraphs (d) through (t), inclusive, of Section (7) of the terms and conditions of the A Preferred Stock are hereby incorporated in this Section (7) as if set forth in full herein as paragraphs (d) through (t), inclusive, of this Section (7).

(8) Stock to be Nonassessable. Upon issuance of any shares of C Preferred Stock, and payment to the Corporation of the stated value thereof, such shares shall be fully paid and nonassessable, and such shares of Common Stock as shall be issuable upon conversion of C Preferred Stock shall be fully paid and nonassessable when the same shall be issued.

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16.5% CUMULATIVE D PREFERRED STOCK

(1) Designation. 700,000 shares of the Preferred Stock, having a par value of \$100.00 per share, of the Corporation are hereby constituted as a series of Preferred Stock, having a par value of \$100.00 per share, designated as "16.5% Cumulative D Preferred Stock" (herein called "D Preferred Stock").

(2) Dividends. The holders of shares of D Preferred Stock shall be entitled to receive, in preference to any stock junior in priority as to dividends, dividends, when and as declared by the Board of Directors, payable in additional shares of the Corporation's D Preferred Stock at the annual rate of 0.165 shares of D Preferred Stock per share, and no more, provided that such dividends shall not be paid (but shall continue to accrue) through and including December 31, 1990, if all dividends on the Corporation's A Preferred Stock and E Preferred Stock shall not have been paid in full. The Corporation may issue scrip certificates in lieu of issuing certificates for fractional shares in connection with any dividend paid in D Preferred Stock. The dividends on shares of D Preferred Stock shall be payable quarterly on the first day of January, April, July and October in each year, commencing April 1, 1986, to holders of record on such respective dates, not exceeding 30 days preceding the payment date thereof, as may be determined by the Board of Directors in advance of the payment of each particular dividend. No dividends shall be declared on any other series or class or classes of stock ranking on a parity with the D Preferred Stock as to dividends in respect of any quarter-yearly dividend period unless there shall likewise be or have been declared on all shares of D Preferred Stock at the time outstanding like dividends for all quarter-yearly periods coinciding with or ending before such quarter-yearly period, ratably in proportion to the respective annual dividend rates per annum fixed therefor. Dividends on B Preferred Stock and C Preferred Stock and, after December 31, 1990, dividends on A Preferred Stock and E Preferred Stock shall be payable on a parity with dividends on D Preferred Stock. Dividends shall be cumulative and will

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accrue on each share of D Preferred Stock whether or not earned or declared, and whether or not there are from time to time funds legally available therefor, from the date of issue thereof except that dividends on shares of D Preferred Stock issued after the first date of issue of any shares of D Preferred Stock shall accrue from such first date of issue, or from the most recent dividend payment due in the case of shares issued after the initial dividend payment date. No interest, or sum of money in lieu of interest, shall be payable in respect of any dividend payment or payments which may be in arrears. Dividends payable on the D Preferred Stock for any period less than a full quarter shall be computed on the basis of a 360-day year.

If in any quarter-yearly dividend period, stock dividends at the full annual rate set forth above in this Section (2) shall not have been declared and paid or set apart for payment on all outstanding shares of D Preferred Stock for such quarter-yearly dividend period and all preceding quarter-yearly dividend periods from and after the first day from which dividends are cumulative, then, until the aggregate deficiency shall be declared and fully paid or set apart for payment, the Corporation shall not (i) declare or pay or set apart for payment any dividends or make any other distribution on the Common Stock or any other capital stock of the Corporation ranking junior to the D Preferred Stock with respect to the payment of dividends or distribution of assets on liquidation, dissolution or winding up of the Corporation (the Common Stock and such other stock being herein referred to as "Junior Stock") or (ii) make any payment on account of the purchase, redemption or other retirement of any Junior Stock, except for purchases of Junior Stock held by or for The Employee Stock Ownership Plan of Crucible Materials Corporation, The Crucible Fund for Eligible Salaried Employees of all Divisions of Crucible Materials Corporation or any other employee stock ownership plan (as defined in Section 4975 of the Internal Revenue Code of 1954, as amended) for employees of the Corporation or a subsidiary of the Corporation subject to a collective bargaining agreement, or any participant therein or beneficiary thereof to the extent of

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any Junior Stock distributed by any of the aforementioned plans or fund, and except for purchases of Junior Stock held by Technology Metals, Inc. contemplated by the Pledge Agreement dated as of December 17, 1985, between Colt Industries Inc and Technology Metals, Inc.

(3) Liquidation Preference. In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, before any payment or distribution of the assets of the Corporation (whether capital or surplus) shall be made to or set apart for the holders of any series or class or classes of stock of the Corporation ranking junior to the D Preferred Stock upon liquidation, dissolution or winding up, the holders of the shares of the D Preferred Stock shall be entitled to receive, in cash, \$100 per share plus an amount equal to all dividends accrued and unpaid thereon to the date of final distribution to such holders, whether or not earned or declared; but such holders shall not be entitled to any further payment. If, upon any liquidation, dissolution or winding up of the Corporation, the assets of the Corporation, or proceeds thereof, distributable among the holders of the shares of the D Preferred Stock shall be insufficient to pay in full the preferential amount aforesaid and liquidating payment on any other Preferred Stock ranking as to liquidation, dissolution or winding up, on a parity with the D Preferred Stock, then such assets, or the proceeds thereof, shall be distributed among the holders of D Preferred Stock and any such other Preferred Stock ratably in accordance with the respective amounts which would be payable upon liquidation, dissolution or winding up on such shares of D Preferred Stock and any such other Preferred Stock if all amounts payable thereon were paid in full. For the purposes of this Section (3), a consolidation or merger of the Corporation with one or more corporations shall not be deemed to be a liquidation, dissolution or winding up, voluntary or involuntary.

Subject to the rights of the holders of any series or class or classes of stock ranking on a parity with or prior to the D Preferred Stock upon liquidation, dissolution or winding up, upon any

liquidation, dissolution or winding up of the Corporation, after payment shall have been made in full to the D Preferred Stock as provided in this Section (3), but not prior thereto, any other series or class or classes of stock ranking junior to the D Preferred Stock upon liquidation shall, subject to the respective terms and provisions (if any) applying thereto, be entitled to receive any and all assets remaining to be paid or distributed, and the D Preferred Stock shall not be entitled to share therein.

For the purposes of this Section (3), the D Preferred Stock ranks on a parity with the A Preferred Stock, the B Preferred Stock, the C Preferred Stock and the E Preferred Stock upon liquidation.

(4) Redemption.

(a) The D Preferred Stock may not be redeemed prior to January 1, 1994. Thereafter, the Corporation, at its option, may redeem shares of the D Preferred Stock, as a whole or in part, at any time or from time to time at a redemption price of \$100 per share payable in cash, plus accrued and unpaid dividends thereon to the date fixed for redemption payable in cash (the sum of \$100 together with such accrued and unpaid dividends being referred to herein as the "Redemption Price").

(b) In the event the Corporation shall redeem shares of D Preferred Stock, notice of such redemption shall be given by first class mail, postage prepaid, mailed not less than 30 nor more than 60 days prior to the redemption date, to each holder of record of the shares to be redeemed, at such holder's address as the same appears on the stock register of the Corporation. Each such notice shall state: (1) the redemption date; (2) the number of shares of D Preferred Stock to be redeemed and, if less than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder; (3) the Redemption Price; (4) the place or places where

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certificates for such shares are to be surrendered for payment of the Redemption Price; and (5) that dividends on the shares to be redeemed will cease to accrue on such redemption date. Notice having been mailed as aforesaid, from and after the redemption date (unless default shall be made by the Corporation in providing money for the indefeasible payment of the Redemption Price) dividends on the shares of the D Preferred Stock so called for redemption shall cease to accrue, and said shares shall no longer be deemed to be outstanding, and all rights of the holders thereof as stockholders of the Corporation (except the right to receive from the Corporation the Redemption Price) shall cease. The Corporation's obligation to provide moneys in accordance with the preceding sentence shall be deemed fulfilled if, on or before the redemption date, the Corporation shall deposit with a bank or trust company having an office in the City of Pittsburgh, Pennsylvania, or the Borough of Manhattan, City of New York, having a capital and surplus of at least \$50,000,000, funds necessary for such redemption, in trust, with irrevocable instructions that such funds be applied to the redemption of the shares of D Preferred Stock so called for redemption. Any interest accrued on such funds shall be paid to the Corporation from time to time. Any funds so deposited and unclaimed at the end of six years from such redemption date shall be released or repaid to the Corporation, after which the holder or holders of such shares of D Preferred Stock so called for redemption shall look only to the Corporation for payment of the Redemption Price.

Upon surrender in accordance with said notice of the certificates for any shares so redeemed (properly endorsed or assigned for transfer, if the Board of Directors of the Corporation shall so require and the notice shall so state), such shares shall be redeemed by the Corporation at the Redemption Price. If less than all the outstanding shares of D Preferred Stock are to be redeemed, shares to be redeemed shall be selected

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by the Corporation from outstanding shares of D Preferred Stock not previously called for redemption by lot or pro rata (as nearly as may be) or by any other method determined by the Corporation in its sole discretion to be equitable. If less than all of the outstanding shares represented by any surrendered certificate are to be redeemed, a new certificate representing the unredeemed shares shall be issued without charge.

In no event shall the Corporation redeem less than all the outstanding shares of D Preferred Stock pursuant to subsection (a) of this Section (4) unless full cumulative dividends shall have been paid or declared and set apart for payment upon all outstanding shares of D Preferred Stock for all past dividend periods.

(5) Shares to be Retired. All shares of D Preferred Stock redeemed or purchased by the Corporation or converted shall be retired and cancelled and shall be restored to the status of authorized but unissued shares of Preferred Stock, without designation as to series, and may thereafter be issued, but not as shares of D Preferred Stock.

(6) Voting. Except as expressly provided hereinafter in this Section (6) or as otherwise from time to time required by law, the D Preferred Stock shall have no voting rights. Whenever, at any time or times, dividends payable on the D Preferred Stock shall be in arrears in an amount equal to at least six full quarterly dividends on the D Preferred Stock at the time outstanding, the holders of the outstanding D Preferred Stock shall have the right, voting together as a class with holders of shares of all other series of Preferred Stock upon which like voting rights have been conferred and are exercisable, to elect a single director of the Corporation at the Corporation's next annual meeting of stockholders and at each subsequent annual meeting of stockholders. At elections for such directors, each holder of D Preferred Stock shall be entitled to one vote for each share held (the holders of shares of any other series of Preferred Stock being entitled to such number of votes, if any, for each share of stock held as may be granted to them). Upon the

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vesting of such right of the holders of the D Preferred Stock, the maximum authorized number of members of the Board of Directors shall automatically be increased by one and the vacancy so created shall be filled by the vote of the holders of the outstanding D Preferred Stock, together with the holders of shares of all other series of Preferred Stock, as hereinabove set forth.

Upon any termination of the right of the holders of the Preferred Stock to vote for directors as herein provided, the term of office of the director then in office elected by the holders of the Preferred Stock voting as a class shall terminate immediately. The right of the holders of this series of Preferred Stock to vote for directors shall terminate immediately upon all dividend arrearages being cured with respect to this series of Preferred Stock. If the office of any director elected by the holders of the Preferred Stock voting as a class becomes vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, the holders of the series of Preferred Stock which had the right to elect such director may choose a successor who shall hold office for the unexpired term in respect of which such vacancy occurred. Whenever the term of office of the director elected by the holders of the Preferred Stock shall end and the special voting powers vested in the holders of the Preferred Stock as provided in this Section (6) shall have expired, the number of directors shall be such number as may be provided for in the By-Laws irrespective of any increase made pursuant to the provisions of this Section (6).

So long as any shares of D Preferred Stock remain outstanding, the consent of the holders of at least two-thirds of the shares of D Preferred Stock outstanding at the time (voting separately as a class with all other series of Preferred Stock ranking on a parity with D Preferred Stock either as to dividends or the distribution of assets upon liquidation, dissolution or winding up and upon which like voting rights have been conferred and are exercisable) given in person or by proxy, either in writing or at any social or

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annual meeting called for the purpose, shall be necessary to permit, effect or validate any one or more of the following:

(a) the authorization, creation or issuance, or any increase in the authorized or issued amount, of any class or series of stock (including any class or series of preferred stock) ranking prior to or on a parity with as those terms are hereinafter defined in this Section (6) the D Preferred Stock, except for any class or series of stock to be issued to any Future Union ESOP; or

(b) the amendment, alteration or repeal, whether by merger, consolidation or otherwise, of any of the provisions of the Certificate of Incorporation or of these resolutions, or any merger or consolidation, which would adversely affect any right, preference, privilege or voting power of the D Preferred Stock or of the holders thereof; provided, however, that any increase in the amount of authorized Preferred Stock or the creation and issuance of other series of Preferred Stock, in each case ranking on a parity with or junior to the D Preferred Stock with respect to the payment of dividends and the distribution of assets upon liquidation, dissolution or winding up, shall not be deemed to materially and adversely affect such rights, preferences, privileges or voting powers; or

(c) the sale, transfer or lease of all or substantially all of the properties and assets of the Corporation outside its ordinary course of business; provided, however, that nothing herein shall require the consent of the holders of the D Preferred Stock for or in respect of the creation of any mortgage, pledge or other lien upon all or any part of the assets of the Corporation.

The foregoing voting provisions shall not apply if, at or prior to the time when the act with respect to which such vote would otherwise be required shall be effected, all outstanding shares

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of the D Preferred Stock shall have been redeemed or sufficient funds shall have been deposited in trust to effect such redemption.

Any class or classes of stock of the Corporation shall be deemed to rank:

(i) prior to the D Preferred Stock as to dividends or as to distribution of assets upon liquidation, dissolution or winding up to the extent that the holders of such class shall be entitled to the receipt of dividends or of amounts distributable upon liquidation, dissolution or winding up, as the case may be, in preference or priority to the holders of the D Preferred Stock; and

(ii) on a parity with the D Preferred Stock as to dividends or as to distribution of assets upon liquidation, dissolution or winding up, whether or not the dividend rates, dividend payment dates, or redemption or liquidation prices per share thereof be different from those of the D Preferred Stock, if the holders of such class and the D Preferred Stock shall be entitled to the receipt of dividends or of amounts distributable upon liquidation, dissolution or winding up, as the case may be, in proportion to their respective dividend rates or liquidation prices, without preference or priority one over the other.

The B Preferred Stock, C Preferred Stock, D Preferred Stock and E Preferred Stock shall be deemed to rank on a parity with each other for all purposes.

13.0% CUMULATIVE E PREFERRED STOCK

(1) Designation. 175,000 shares of the Preferred Stock, having a par value, of the Corporation are hereby constituted as a series of Preferred Stock, having a par value of \$100.00 per share, designated as "13.0% Cumulative E Preferred Stock" (herein called "E Preferred Stock").

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(2) Dividends. The holders of shares of E Preferred Stock shall be entitled to receive, in preference to any stock junior in priority as to dividends, dividends, when and as declared by the Board of Directors, payable in additional shares of the Corporation's E Preferred Stock at the annual rate of 0.13 shares of E Preferred Stock per share, and no more. The Corporation may issue scrip certificates in lieu of issuing certificates for fractional shares in connection with any dividend paid in E Preferred Stock. The dividends shall be payable quarterly on the first day of January, April, July and October in each year, commencing April 1, 1986, to holders of record on such respective dates, not exceeding 30 days preceding the payment date thereof, as may be determined by the Board of Directors in advance of the payment of each particular dividend. No dividends shall be declared on any other series or class or classes of stock ranking on a parity with the E Preferred Stock as to dividends in respect of any quarter-yearly dividend period unless there shall likewise be or have been declared shares of E Preferred Stock at the time outstanding like dividends for all quarter-yearly periods coinciding with or ending before such quarter-yearly period, ratably in proportion to the respective annual dividend rates per annum fixed therefor. Dividends shall be payable on A Preferred Stock and E Preferred Stock in preference to any dividends payable on B Preferred Stock, C Preferred Stock and D Preferred Stock with respect to any period ending on or before December 31, 1990 (after which date dividends shall accrue and be payable on B Preferred Stock, C Preferred Stock and D Preferred Stock, on a parity with dividends on A Preferred Stock and E Preferred Stock). Dividends shall be cumulative and will accrue on each share of E Preferred Stock whether or not earned or declared, and whether or not there are from time to time funds legally available therefor, from the date of issue thereof except that dividends on shares of E Preferred Stock issued after the first date of issue of any shares of E Preferred Stock shall accrue from such first date of issue, or from the most recent dividend payment due in the case of shares issued after the initial dividend payment date. No interest, or sum of money in lieu of interest,

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shall be payable in respect of any dividend payment or payments which may be in arrears. Dividends payable on the E Preferred Stock for any period less than a full quarter shall be computed on the basis of a 360-day year.

If in any quarter-yearly dividend period, stock dividends at the full annual rate set forth above in this Section (2) shall not have been declared and paid or set apart for payment on all outstanding shares of E Preferred Stock for such quarter-yearly dividend period and all preceding quarter-yearly dividend periods from and after the first day from which dividends are cumulative, then, until the aggregate deficiency shall be declared and fully paid or set apart for payment, the Corporation shall not (i) declare or pay or set apart for payment any dividends or make any other distribution on the Common Stock or any other capital stock of the Corporation ranking junior to the E Preferred Stock with respect to the payment of dividends or distribution of assets on liquidation, dissolution or winding up of the Corporation (the Common Stock and such other stock being herein referred to as "Junior Stock") or (ii) make any payment on account of the purchase, redemption or other retirement of any Junior Stock, except for purchases of Junior Stock held by or for The Employee Stock Ownership Plan of Crucible Materials Corporation, the Crucible Fund for Eligible Salaried Employees of all Divisions of Crucible Materials Corporation or any other employee stock ownership plan (as defined in Section 4975 of the Internal Revenue Code of 1954, as amended) for employees of the Corporation or a subsidiary of the Corporation subject to a collective bargaining agreement, or any participant therein or beneficiary thereof to the extent of any Junior Stock distributed by any of the aforementioned plans or fund, and except for purchases of Junior Stock held by Technology Metals, Inc. contemplated by the Pledge Agreement dated as of December 17, 1985, between Colt Industries Inc and Technology Metals, Inc.

(3) Liquidation Preference. In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, before any payment or distribution of the assets

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of the Corporation (whether capital or surplus) shall be made to or set apart for the holders of any series or class or classes of stock of the Corporation ranking junior to the E Preferred Stock upon liquidation, dissolution or winding up, the holders of the shares of the E Preferred Stock shall be entitled to receive, in cash, \$100 per share plus an amount equal to all dividends accrued and unpaid thereon to the date of final distribution to such holders, whether or not earned or declared; but such holders shall not be entitled to any further payment. If, upon any liquidation, dissolution or winding up of the Corporation, the assets of the Corporation, or proceeds thereof, distributable among the holders of the shares of the E Preferred Stock shall be insufficient to pay in full the preferential amount aforesaid and liquidating payment on any other Preferred Stock ranking as to liquidation, dissolution or winding up, on a parity with the E Preferred Stock, then such assets, or the proceeds thereof, shall be distributed among the holders of E Preferred Stock and any such other Preferred Stock ratably in accordance with the respective amounts which would be payable upon liquidation, dissolution or winding up on such shares of E Preferred Stock and any such other Preferred Stock if all amounts payable thereon were paid in full. For the purposes of this Section (3), a consolidation or merger of the Corporation with one or more corporations shall not be deemed to be a liquidation, dissolution or winding up, voluntary or involuntary.

Subject to the rights of the holders of any series or class or classes of stock ranking on a parity with or prior to the E Preferred Stock upon liquidation, dissolution or winding up, upon any liquidation, dissolution or winding up of the Corporation, after payment shall have been made in full to the E Preferred Stock as provided in this Section (3), but not prior thereto, any other series or class or classes of stock ranking junior to the E Preferred Stock upon liquidation shall, subject to the respective terms and provisions (if any) applying thereto, be entitled to receive any and all assets remaining to be paid or distributed, and the E Preferred Stock shall not be entitled to share therein.

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For the purposes of this Section (3), the E Preferred Stock ranks on a parity with the A Preferred Stock, the B Preferred Stock, the C Preferred Stock and the D Preferred Stock upon liquidation.

(4) Redemption.

(a) The E Preferred Stock may not be redeemed prior to January 1, 1991. Commencing January 15, 1991, the Corporation, at its option, may redeem shares of the E Preferred Stock, as a whole or in part, at any time or from time to time at a redemption price of \$100 per share payable in cash, plus accrued and unpaid dividends thereon to the date fixed for redemption payable in cash (the sum of \$100 together with such accrued and unpaid dividends being referred to herein as the "Redemption Price").

(b) In the event the Corporation shall redeem shares of E Preferred Stock, notice of such redemption shall be given by first class mail, postage prepaid, mailed not less than 30 nor more than 60 days prior to the redemption date, to each holder of record of the shares to be redeemed, at such holder's address as the same appears on the stock register of the Corporation. Each such notice shall state: (1) the redemption date; (2) the number of shares of E Preferred Stock to be redeemed and, if less than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder; (3) the Redemption Price; (4) the place or places where certificates for such shares are to be surrendered for payment of the Redemption Price; and (5) that dividends on the shares to be redeemed will cease to accrue on such redemption date. Notice having been mailed as aforesaid, from and after the redemption date (unless default shall be made by the Corporation in providing money for the indefeasible payment of the Redemption Price) dividends on the shares of the E Preferred Stock so called for redemption shall cease to accrue, and said shares shall no longer be

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deemed to be outstanding, and all rights of the holders thereof as stockholders of the Corporation (except the right to receive from the Corporation the Redemption Price) shall cease. The Corporation's obligation to provide moneys in accordance with the preceding sentence shall be deemed fulfilled if, on or before the redemption date, the Corporation shall deposit with a bank or trust company having an office in the City of Pittsburgh, Pennsylvania, or the Borough of Manhattan, City of New York, having a capital and surplus of at least \$50,000,000, funds necessary for such redemption, in trust, with irrevocable instructions that such funds be applied to the redemption of the shares of E Preferred Stock so called for redemption. Any interest accrued on such funds shall be paid to the Corporation from time to time. Any funds so deposited and unclaimed at the end of six years from such redemption date shall be released or repaid to the Corporation, after which the holder or holders of such shares of E Preferred Stock so called for redemption shall look only to the Corporation for payment of the Redemption Price.

Upon surrender in accordance with said notice of the certificates for any shares so redeemed (properly endorsed or assigned for transfer, if the Board of Directors of the Corporation shall so require and the notice shall so state), such shares shall be redeemed by the Corporation at the Redemption Price. If less than all the outstanding shares of E Preferred Stock are to be redeemed, shares to be redeemed shall be selected by the Corporation from outstanding shares of E Preferred Stock not previously called for redemption pro rata (as nearly as may be). If less than all of the outstanding shares represented by any surrendered certificate are to be redeemed, a new certificate representing the unredeemed shares shall be issued without charge.

In no event shall the Corporation redeem less than all the outstanding shares of E Preferred Stock pursuant to subsection (a) of this Section (4) unless full cumulative dividends shall

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have been paid or declared and set apart for payment upon all outstanding shares of E Preferred Stock for all past dividend periods.

(5) Shares to be Retired. All shares of E Preferred Stock redeemed or purchased by the Corporation or converted shall be retired and cancelled and shall be restored to the status of authorized but unissued shares of Preferred Stock, without designation as to series, and may thereafter be issued, but not as shares of E Preferred Stock.

(6) Voting. Except as expressly provided hereinafter in this Section (6) or as otherwise from time to time required by law, the E Preferred Stock shall have no voting rights. Whenever, at any time or times, dividends payable on the E Preferred Stock shall be in arrears in an amount equal to at least six full quarterly dividends on the E Preferred Stock at the time outstanding, the holders of the outstanding E Preferred Stock shall have the right, voting together as a class with holders of shares of all other series of Preferred Stock upon which like voting rights have been conferred and are exercisable, to elect a single director of the Corporation at the Corporation's next annual meeting of stockholders and at each subsequent annual meeting of stockholders. At elections for such directors, each holder of E Preferred Stock shall be entitled to one vote for each share held (the holders of shares of any other series of Preferred Stock being entitled to such number of votes, if any, for each share of stock held as may be granted to them). Upon the vesting of such right of the holders of the E Preferred Stock, the maximum authorized number of members of the Board of Directors shall automatically be increased by one and the vacancy so created shall be filled by the vote of the holders of the outstanding E Preferred Stock, together with the holders of shares of all other series of Preferred Stock, as hereinabove set forth.

Upon any termination of the right of the holders of the Preferred Stock to vote for directors as herein provided, the term of office of the director then in office elected by the holders of the Preferred Stock voting as a class shall

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terminate immediately. The right of the holders of this series of Preferred Stock to vote for directors shall terminate immediately upon all dividend averages being cured with respect to this series of Preferred Stock. If the office of any director elected by the holders of the Preferred Stock voting as a class becomes vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, the holders of the series of Preferred Stock which had the right to elect such director may choose a successor who shall hold office for the unexpired term in respect of which such vacancy occurred. Whenever the term of office of the director elected by the holders of the Preferred Stock shall end and the special voting powers vested in the holders of the Preferred Stock as provided in this Section (6) shall have expired, the number of directors shall be such number as may be provided for in the By-Laws irrespective of any increase made pursuant to the provisions of this Section (6).

So long as any shares of E Preferred Stock remain outstanding, the consent of the holders of at least two-thirds of the shares of E Preferred Stock outstanding at the time (voting separately as a class with all other series of Preferred Stock ranking on a parity with E Preferred Stock either as to dividends or the distribution of assets upon liquidation, dissolution or winding up and upon which like voting rights have been conferred and are exercisable) given in person or by proxy, either in writing or at any special or annual meeting called for the purpose, shall be necessary to permit, effect or validate any one or more of the following:

(a) the authorization, creation or issuance, or any increase in the authorized or issued amount, of any class or series of stock (including any class or series of preferred stock) ranking prior to or on a parity with as those terms are hereinafter defined in this Section (6) the E Preferred Stock, except for any class or series of stock to be issued to any Future Union ESOP; or

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(b) the amendment, alteration or repeal, whether by merger, consolidation or otherwise, of any of the provisions of the Certificate of Incorporation or of these resolutions, or any merger or consolidation, which would adversely affect any right, preference, privilege or voting power of the E Preferred Stock or of the holders thereof; provided, however, that any increase in the amount of authorized Preferred Stock or the creation and issuance of other series of Preferred Stock, in each case ranking on a parity with or junior to the E Preferred Stock with respect to the payment of dividends and the distribution of assets upon liquidation, dissolution or winding up, shall not be deemed to materially and adversely affect such rights, preferences, privileges or voting powers; or

(c) the sale, transfer or lease of all or substantially all of the properties and assets of the Corporation outside its ordinary course of business; provided, however, that nothing herein shall require the consent of the holders of the E Preferred Stock for or in respect of the creation of any mortgage, pledge or other lien upon all or any part of the assets of the Corporation.

The foregoing voting provisions shall not apply if, at or prior to the time when the act with respect to which such vote would otherwise be required shall be effected, all outstanding shares of the E Preferred Stock shall have been redeemed or sufficient funds shall have been deposited in trust to effect such redemption.

Any class or classes of stock of the Corporation shall be deemed to rank:

(i) prior to the E Preferred Stock as to dividends or as to distribution of assets upon liquidation, dissolution or winding up to the extent that the holders of such class shall be entitled to the receipt of dividends or of amounts distributable upon liquidation, dissolution or winding up, as the case may

be, in preference or priority to the holders of the E Preferred Stock; and

(ii) on a parity with the E Preferred Stock as to dividends or as to distribution of assets upon liquidation, dissolution or winding up, whether or not the dividend rates, dividend payment dates, or redemption or liquidation prices per share thereof be different from those of the E Preferred Stock, if the holders of such class and the E Preferred Stock shall be entitled to the receipt of dividends or of amounts distributable upon liquidation, dissolution or winding up, as the case may be, in proportion to their respective dividend rates or liquidation prices, without preference or priority one over the other.

SECOND: That the sole stockholder of the corporation has given its written consent to such amendment in accordance with the provisions of the General Corporation Law of the State of Delaware.

THIRD: That the aforesaid amendment was duly adopted in accordance with the applicable provisions of

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Sections 242 and 228 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, the Corporation has caused this certificate to be signed by Vincent H. Callahan, its Chairman of the Board and Chief Executive Officer, and attested by Warren T. Bickerton, its Secretary, this 13th day of December 1985.

CRUCIBLE MATERIALS CORPORATION,

by Vincent H. Callahan
Chairman of the Board
and Chief Executive
Officer

Attest:

by Warren T. Bickerton
Secretary

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